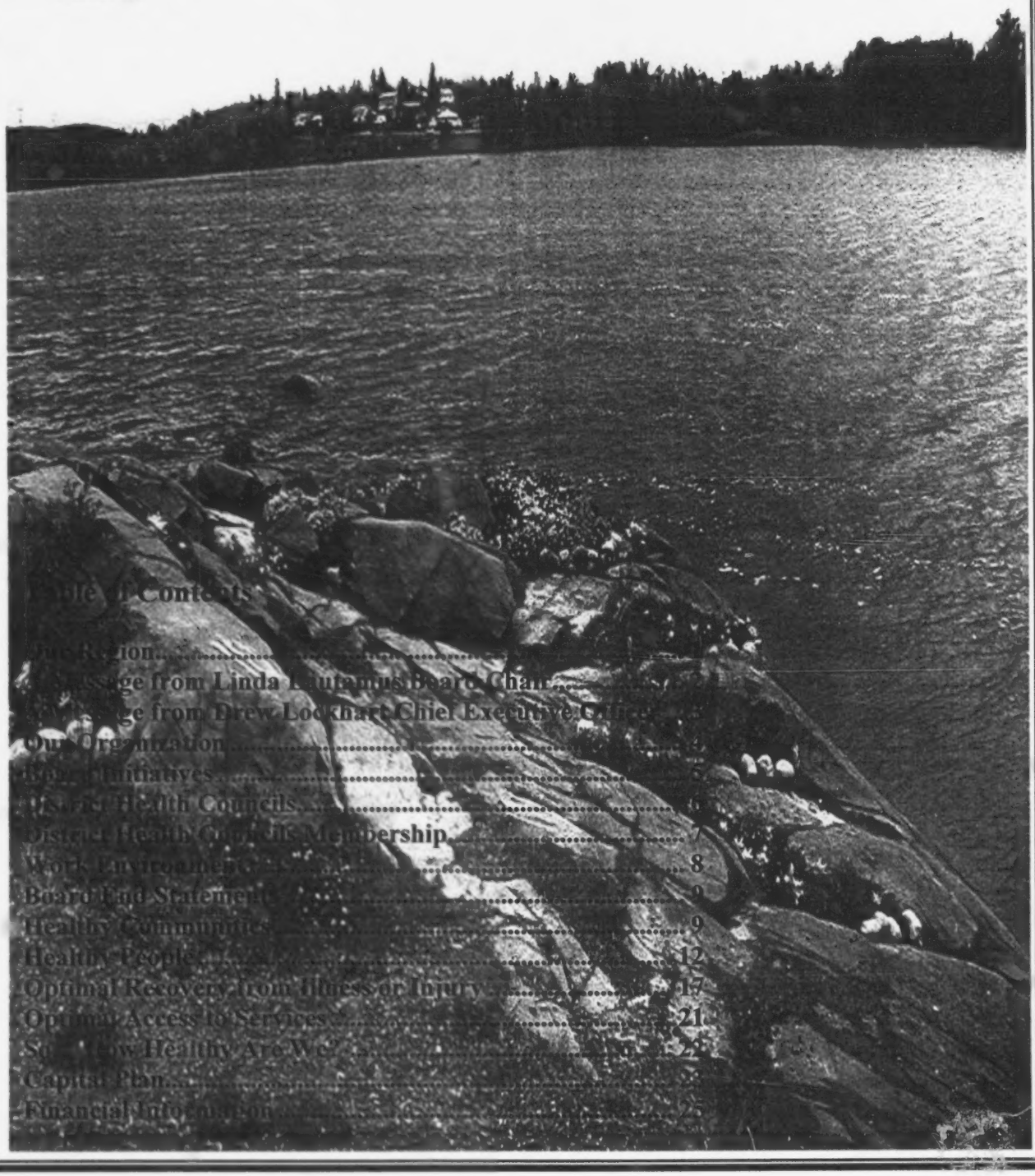
NOR-MAN REGIONAL HEALTH AUTHORITY
2003-2004 ANNUAL REPORT



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Our Region...

Covering a large geographical area (72,000 sq. km) and servicing a population of 26,000 the NOR-MAN region consists of a combination of pristine wilderness and rural settings. In addition to the abundance of natural habitats, and array of diverse ecosystems the NOR-MAN region is rich in culture, which truly exemplifies all that is Canadian. The NOR-MAN region is indeed multicultural, welcoming all in the warm fashion that has made our country great!

Climb the Canadian Shield rock formations near Flin Flon, swim in Clearwater Lake (the world's second clearest lake) or paddle the Grass River Corridor like the voyageurs of the fur trade era. The NOR-MAN region is a clean environment that is enjoyed by tourists from around the world with seasonal festivals and diverse recreational opportunities.

The major industries in the NOR-MAN region are mining, forestry, tourism, hydro electricity and government services. With modern healthcare facilities, post-secondary education institutes, libraries, schools (Cree and French immersion education available), and a variety of recreation facilities you will discover a blend of bustling urban districts coupled with peaceful country living. With safer communities, the NOR-MAN region is a smart alternative for both single individuals and families who wish to relocate from all parts of Canada and the world!

Serving the communities of:
Flin Flon
The Pas/Opaskwayak Cree Nation
Snow Lake
Cranberry Portage
Wanless
Moose Lake/Mosakahiken First Nation
Sherridon/Cold Lake
Cormorant
Grand Rapids/Grand Rapids First Nation
Easterville/Chemawawin First Nation
Pukatawagan/Mathias Colomb First Nation

Our Mission

Healthy People in Healthy Communities
"Working Together To Improve Our Health"

A Message from Linda Lautamus
Board Chair

September 2004

The Honourable Dave Chomiak
Minister of Health
Room 302, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Chomiak:

On behalf of the Board of Directors of the NOR-MAN Regional Health Authority, I am pleased to provide you a copy of our 2003/04 Annual Report.

In accordance with the Public Sector Compensation Disclosure Act, the NOR-MAN Regional Health Authority has disclosed the information required by this Act in our Auditor's Supplementary Financial Information which has been certified by our Auditor to be correct. Also in accordance with said Act, a copy of the Auditor's Supplementary Financial Information is available to the public through the offices of the Chief Executive Officer upon written request.

Sincerely,

Linda Lautamus

Linda Lautamus
Board Chair

A Message from Drew Lockhart
Chief Executive Officer

September 2004

Mrs. Linda Lautamus
Board Chair

A review of our status report reveals many accomplishments during this past fiscal year. We are very proud of the fact that staff have embraced the principles of our master plan as they implement our strategic initiatives and continue to plan for the future.

During this past year we have continued to be challenged with physician recruitment and retention. However we do have agreements with a number of new physicians and hopefully they will meet the licensure requirements of the College of Physician & Surgeons of Manitoba and be practicing in our region in the very near future.

The NOR-MAN Regional Health Authority recently assumed responsibility for the Cranberry Portage Ambulance services as well as The Pas Ambulance service. We will continue to work with the Department of Health to construct an appropriate regional ambulance facility in The Pas. Also during this past year our CAT Scan became fully operational and is now providing a very valuable service to residents of our region.

The need for new acute care facilities in Flin Flon and The Pas is well acknowledged. They are near the end of their useful life span, operationally inefficient and require millions of dollars for ongoing maintenance, safety and security. We understand that fiscal realities will not allow for new facilities to be constructed in the near future. However a significant capital injection will be required in order to maintain operations for the next 5 – 10 years. Our priorities have been identified and communicated to the Department of Health. Approximately $5 million will be required to upgrade the ER, SCU, and Dialysis program in The Pas. We expect that there will be significant capital developments over the course the next 2 – 5 years in both Flin Flon and The Pas.

We look forward to a working partnership with the Department of Health as we continue to incrementally operationalize aspects of our Master Plan. The NOR-MAN Regional Health Authority has a great health care team of dedicated staff, and a commitment to working together to realize our Mission of "Healthy People in Healthy Communities".

Sincerely,

Andrew Lockhart
Chief Executive Officer

Our Organization

NOR-MAN RHA Board of Directors 2003-04

Linda Lautamus, *Chair (Flin Flon)*
John Marnock, *Vice Chair (The Pas)*
Dennis Ballard *(Flin Flon)*
Elizabeth Bear (Pukagawagan)
Marg Britton *(Flin Flon, SK)*
Diane Deschambeault *(Opaskwayak)*
Marc Jackson *(Snow Lake)*
Anngelina Perry *(Sherridon)*
Marion Pearson *(Cranberry Portage)*
Sheila Roque (*The Pas*)
Wayne Sherwood *(Cranberry Portage)*
Garry Zamzow *(Snow Lake)*

NOR-MAN RHA MISSION

Healthy People in Healthy Communities
"Working Together to Improve Our Health"

VALUES

- Dynamic, innovative & creative leadership;
- Honesty, respect & truthfulness to those we serve;
- Informed choices for people & personal responsibility for health, wellness & safety;
- Being responsive to the unique needs of individuals & communities;
- A fundamental quest for excellence in all facets of the organization;
- The person's right to informed, participatory decision making, and confidentiality of information;
- Being open to innovative, cost-effective approaches in an evidence-based environment;
- Proper accountability and prudent expenditure of public funds; and
- Personal and professional growth and development for staff to meet emerging challenges.

Corporate Office

84 Church Street
Flin Flon, MB. R8A 1L8
Phone: (204) 687-1300
Fax: (204) 687-6405
nrha@normanrha.mb.ca

Senior Management 2003-04

Drew Lockhart, *CEO*
Pat Bilquist, *Exec. Director, Community & Long Term Care*
Rocky Brown, *Exec. Director, Finance & Support Services*
Susan Crockett, *Exec. Director, Planning, Research & Development*
Wanda Reader, *Exec. Director, Human Resources*
Corliss Patterson, *Exec. Director, Communications/PR*
Barbara Dreher, *Exec. Director Clinical Services*

Board Ends

The NRHA Board of Directors has set out 4 Board Ends and related Strategic Priorities for the NRHA:

HEALTHY COMMUNITIES

1. *Increased consumer knowledge of health determinants, practices and available resources.*
2. *Increased resident involvement in community-based activities that promote healthy lifestyles and personal well-being.*
3. *Decreased illness caused by physical environmental factors.*
4. *Increased partnerships with community agencies and other jurisdictions responsible for health.*
5. *Improved organizational health, such as efficiency and effectiveness.*
6. *Increased understanding of regional health needs.*

HEALTHY PEOPLE

1. *Decreased incidence and prevalence of diabetes.*
2. *Decrease in incidence and prevalence of tobacco-related diseases.*
3. *Improved mental wellness.*
4. *Improved child/youth health.*
   - *Decreased incidence of FAS and FAE.*
   - *Decreased teen pregnancy rate.*
5. *Reduced incidence of injuries and poisonings.*
6. *Decrease in incidence and prevalence of addictive behaviors and practices.*
7. *Improved women's health.*
   - *Decreased premature mortality from diseases for which early detection screening is available.*
8. *Improved men's health.*
   - *Decreased premature mortality from diseases for which early detection screening is available.*
9. *Improved health status of seniors.*
10. *Improved health of First Nations.*
11. *Improved health of staff.*

OPTIMAL RECOVERY FROM ILLNESS OR INJURY

1. *Health outcomes in emergencies not negatively affected by inadequate response.*
2. *Health outcomes for illnesses and injury not negatively affected by inadequate resources.*

OPTIMAL ACCESS TO SERVICES

1. *Increased on-site resources in our outlying communities.*
2. *Improved access to service through primary health care.*
3. *Improved access to all services through a single point of entry.*
4. *Increased specialty services and programs based on demonstrated need and cost effectiveness.*

Board Initiatives

During the 2003/04 fiscal year the NOR-MAN Regional Health Authority Board placed a focus on continuous improvement activities. The following were undertaken:

- **Performance Deliverables 2003/04** – Performance Agreement between NOR-MAN RHA and Manitoba Health approved by Board and deliverables forwarded to Manitoba Health as per Agreement.
- **Board Self-Evaluation** - The Board conducts an annual self-evaluation which is used to identify areas and strategies to improve Board performance.
- **By-Law Review** – In conjunction with the Council of Chairs, the Board By-Law was reviewed and amended.
- **Board Education** – As part of its continuous improvement activities the Board schedules educational sessions as part of the Board meeting as well as dedicating full day educational sessions delivered by external resources or NRHA staff.
- **District Health Councils** – Board representation on each DHC to ensure a strong linkage.
- **Community Health Assessment** – Board representation on Steering Committee to ensure linkage.
- **Staff Relations** – Board members participated in Staff Recognition Awards, Staff Christmas Luncheons.
- **Volunteers** – Board recognizes volunteers each year at the annual community Volunteer Teas.
- **Leadership and Partnership Continuous Quality Improvement (CQI)** – Board involvement on the leadership and partnership CQI Team.

What Will We Focus on in the Future...

1. ***Performance Deliverables 2004/05*** – Continue to meet requirements for new Performance Agreement between NOR-MAN RHA and Manitoba Health.
2. ***Community Health Assessment*** – The Board will plan a retreat to review the findings of the Community Health Assessment and develop their Strategic Plan for 2006-11.
3. ***Board Policy Review*** – The Board will review/revise, as required, all policies in the Fall of 2004. A schedule has been developed to ensure a regular review process.
4. ***Aboriginal Health*** – The Board will continue to explore ideas for networking with NRHA aboriginal organizations to meet the Manitoba Health Performance Deliverable.

District Health Councils

District Health Councils (DHC) continue to be an important link to the NRHA Board and staff. District Health Councils meet monthly from September to June. Each DHC is assigned a staff liaison and board representative. Senior management also attends each DHC a minimum of once per year.

The purpose of the DHC is to:

- Advise and assist the Board of the NRHA on community health issues and concerns,
- Actively participate in local health initiatives; and
- Be a liaison between the community and the NRHA.

In addition to the DHC's involvement in the Community Health Assessment, which is currently being completed, the following provides an overview of the DHC's activities in 2003-04:

- **Flin Flon** – 9 members, sponsor of Body, Mind and Soul women's wellness conference, hosted Community Fun Health Fair, sponsor Christmas at the Zoo, Partner for Family Sliding Party (turn off TV Week)
- **Cranberry Portage/Sherridon** – 8 members (all from CP), Community Stress Workshop, Community Nutrition Bingo, Christmas Treat Bags, Skate with Santa.
- **Snow Lake** –10 members, personal care home expansion, health fair, 2 community presentations = Healthy Living, Coping in Stressful Times and Depression, Anti-depression and Teens.
- **Cormorant/Moose Lake** – 1 member from Cormorant. Recruitment underway.
- **The Pas/OCN** – 9 members, hosted bad gut series, supported and assisted with Anxiety conference and Breast Cancer conference, supported and participated in the Pas Ladies Auxiliary 75th anniversary.
- **Easterville** – 3 members, hosted an essay contest "Why it is important to Exercise?" Health Fair.
- **Grand Rapids** – 3 members, Health Fair, Walking Poker Derby, hosted an essay contest "Why it is important to Exercise?"

What Will We Focus on in the Future...

1. Continue to work with the NRHA on the completion of the Community Health Assessment (CHA),
2. Participate in a retreat with the NRHA Board to review the CHA findings; and
3. Participate in a retreat with the NRHA Board to develop the 2006-11 Strategic Plan.

District Health Councils Membership

Flin Flon

Laurel Mackie
Fern Harmon
Kyle Kelbert
Dawn Labine
Charleen Logan
Jennifer Person
Kara Plamondon
Brenda Russell
Joann Skeavington

The Pas/OCN

Kim Gurba
Norval Dejarlais
Hazel Hyde
Audrey Maksymchuk
Melvina McKenzie
Lynn McKinnon
Albert Melnick
Cindy Nordick
Gladys Thorne

Cormorant/Moose Lake

Doreen Wishart

Easterville

Ethel McKay
Diane Constant
Sherri Packo

Grand Rapids

Randy Huff
Mark Berndt
Connie Young

Snow Lake

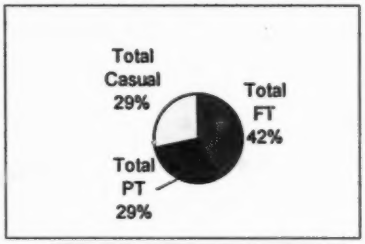
Alan Beilman
Maxine Dodds
Gail Dupont
Margie Fey
Randy Huff
Wanda Huff
John Homeniuk
Betty Rudd
Judy Steeves
Sharon Stubbs

Cranberry Portage/Sherridon

Bernice Hay
Jeanette Brightnose
Sheila Brightnose
Candace Danielson
Melvina Dysart
June Haybittle

Work Environment

TOTAL EMPLOYEE COUNT

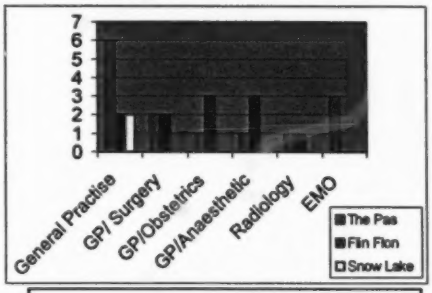


Total Employee Count	937
Total Full-Time	394
Total Part-Time	275
Total Casual	268
Total FTE Count	668.3

PERCENT UNIONIZED STAFF

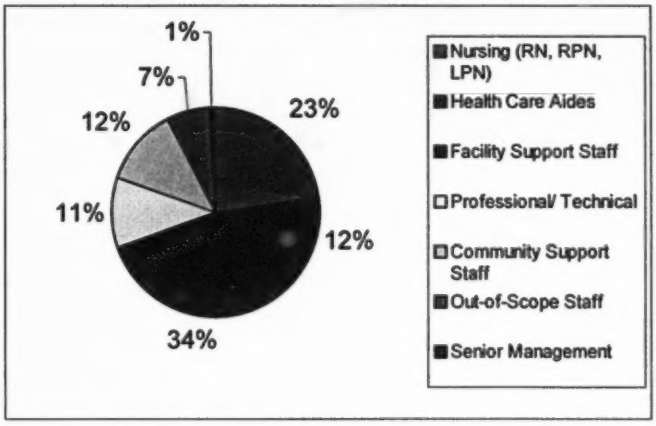
MB Average = 89%

PHYSICIAN PROFILE

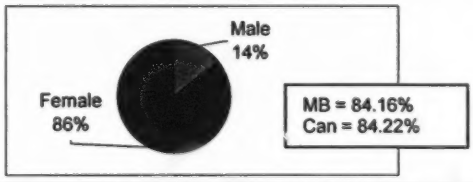


Regional Physicians:
*GP/Obstetrics -1 *Internal Medicine -1
*Psychiatry –1 *Pediatrician – 1
*Medical Officer of Health – itinerant

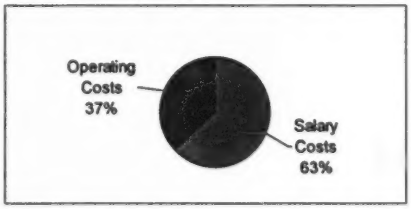
REGIONAL STAFFING PROFILE



Staff Profile by Gender



Salary Expense Ratio

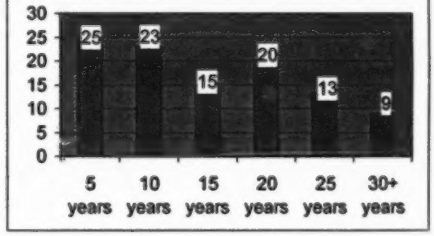


Total Volunteer Hours

2597

EMPLOYEE FACTS

Years of Service Awards - 2002



Average Age of Employees
NRHA = 42.1 years
MB = 42.5 years
Canada = 42.3 years

Average Years of Service
NRHA = 8.6 years
MB = 8.68 years
Canada = 9.37 years

Perfect Attendance Award 2002

57 employees / 669 eligible employees = 8.5%

Regional Retirement Profile:

115 potential retirements / 937 eligible employees = 12%

Average Vacation/Employee

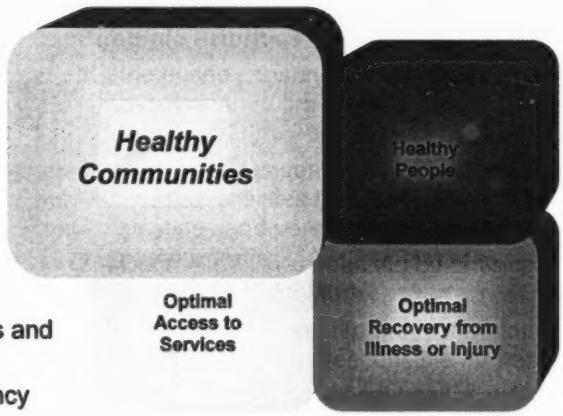
4 Weeks

Board End Statements

The NOR-MAN Regional Health Authority's Mission is "Healthy People in Healthy Communities – Working Together to Improve Our Health".

To achieve this Mission a focus on wellness is critical. The Board developed 4 Ends Statements to meet our Mission as follows:

Healthy Communities



Strategic Priorities

1. Increased consumer knowledge of health determinants, practices and available resources.
2. Increased resident involvement in community –based activities that promote healthy lifestyles and personal well-being.
3. Decreased illness caused by physical environmental factors.
4. Increased partnership with community agencies and other jurisdictions responsible for health.
5. Improved organizational health, such as efficiency and effectiveness.
6. Increased understanding of regional health needs.

Some of our accomplishments this year.....

Communication Initiatives

- Community Health Scene Newsletter – Our regional newsletter is produced bi-annually and is distributed to our residents through postal delivery, District Health Councils, clinics and our sites and offices.
- Health Education – Articles are submitted monthly to local newspapers.
- Board Meetings – Are advertised and open to the public and rotated between Flin Flon and The Pas.

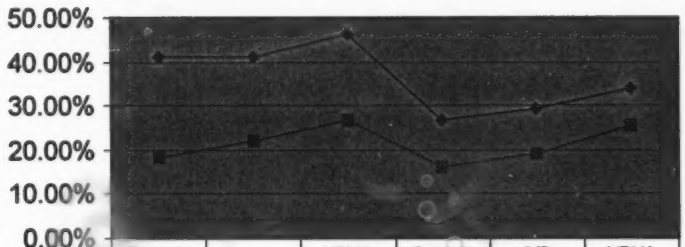
Self Help Groups

- Regional Mental Health Advisory Council – Council is active and meet regularly to review issues.
- We continue to promote resident involvement in community based self-help groups

Healthy Lifestyle Practices

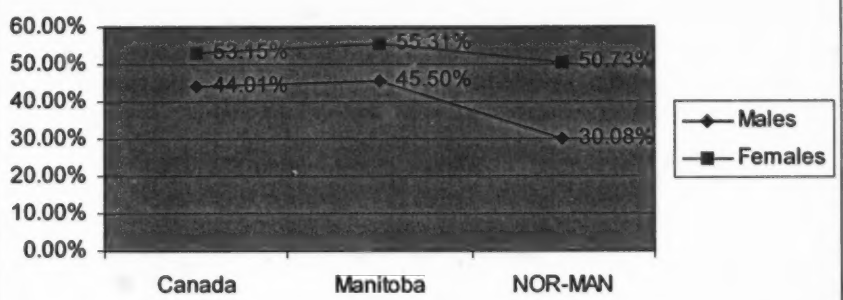
- Health Fairs – Held in our communities regularly
- Active Living Initiatives – Include walking programs, fitness challenges, "turn off TV week".
- Healthy Eating – Healthy cooking classes and pre-natal nutrition & breast feeding classes held in our communities.
- Chronic Disease Prevention – Numerous presentations and education sessions held i.e. Arthritis Self-Management, Bad Gut series.

Body Mass Index 2001



	Canada Male	MB Male	NRHA Male	Canada Female	MB Female	NRHA Female
25-29.9 (overweight)	41.27%	41.11%	46.29%	26.62%	29.34%	33.71%
30 or higher (obese)	18.24%	22.18%	26.86%	16.05%	19.16%	25.28%

% of Population Reporting Leisure Time Physical Inactivity, 2001



Many of the chronic diseases that plague NOR-MAN residents are closely related to being physically inactive and overweight. According to the Canadian Community Health Survey completed in 2001, NOR-MAN residents are less likely than the average Manitoban and Canadian to have a healthy body weight. In fact, 73.15% of NOR-MAN males report a body mass index (BMI) of 25 or higher, this compares to the Manitoba average of 63.29%. NOR-MAN females (59.29%) also report a higher BMI than the Manitoba average (48.50%). Both males and females, on the other hand, appear to be more active during their leisure time than all Manitobans and Canadians combined.

Inter-Sectoral Partnerships

- CQI Teams – Community partners/representatives from education, family services, town/city/municipality/First Nations and major industries on CQI Teams.
- Partnerships at Program Level – Numerous partnerships have been developed and we continue to nurture and improve the type and level of inter-sectoral initiatives.
- Grants – We continue to work inter-sectorally to seek out grants for priority health areas. A total of approximately $285,000 was obtained in grants for 2003/04.

Quality/Risk Management

- Quality Management Program – Provides ongoing support for CQI Teams. Total of 11 CQI Teams continue to function effectively with regular scheduled meetings.
- Quality Scorecard - Fully developed with reports based on Canadian Council of Health Services Accreditation (CCHSA) Standards i.e. Client/Community Focus, Work Life, Responsiveness and System Competency. CCHSA using our Quality Scorecard as a best practice example in their national education sessions.
- Regional Risk Management Program – Comprehensive program in place and linked to our Quality Program.

Volunteer Program

- Volunteer Hours – Since the inception of the program in Flin Flon volunteer hours have increased from 196 hours in 1999/00 to 3,271 hours in 2003/04.

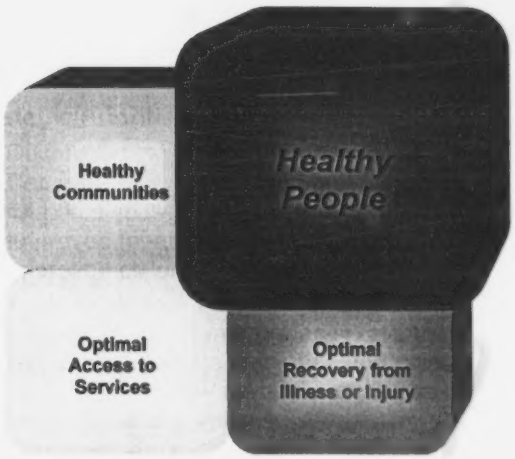
Community Health Assessment (CHA)

- A region wide comprehensive Community Health Assessment underway with the District Health Councils actively involved.
- Communication - Community consultations held in all communities including public meetings, provincial telephone survey, focus groups and key information interviews. Wide "Did You Know" campaign to increase understanding of CHA and regional health issues.

What Will We Focus on in the Future...

1. ***Risk Management*** – Development of Risk Management database for tracking and reporting occurrences and provincial patient safety issues.
2. ***Community Health Assessment*** – Report to Manitoba Health by September 30, 2004 and communication of findings.
3. ***Information Technology*** – Implementation of ICD-10 and ADT system
4. ***Ethics*** – Establish and maintain a regional Ethics Committee/Network to address ethical questions/concerns in our region.
5. ***Utilization*** – Establish and maintain a regional Utilization Committee to address issues regarding appropriate utilization of resources
6. ***Accreditation*** – Prepare for the third regional CCHSA survey which will occur in May 2005.
7. ***Physician Resource Manual*** – Finalize Orientation manual for new physicians and staff.
8. ***Communication*** – Explore viability of updating RHA's Community Health Service Directory. Continue with communication initiatives for public and staffing including updating/revamping web-site.

Healthy People



Strategic Priorities

1. Decreased incidence and prevalence of diabetes.
2. Decrease in incidence and prevalence of tobacco-related diseases.
3. Improved mental wellness.
4. Improved child/youth health.
   - Decreased incidence of FAS and FAE.
   - Decreased teen pregnancy rate.
5. Reduced incidence of injuries and poisonings.
6. Decrease in incidence and prevalence of addictive behaviors and practices.
7. Improved women's health.
   - Decreased premature mortality from diseases for which early detection screening is available.
8. Improved men's health.
   - Decreased premature mortality from diseases for which early detection screening is available.
9. Improved health status of seniors.
10. Improved health of First Nations.
11. Improved health of staff.

Some of our accomplishments this year....

Mental Health/Addictions

- Partnerships – Partnering with Mental Health, Addictions Foundation of Manitoba and other NRHA programs to help facilitate continuity of care.
- Co-Occuring Disorder Initiative (CODI) – Continue to work on the framework of a dual disorder program between the Psychiatric Unit and Rosaire House.
- Consumer Participation – Development of a regional plan for consumer participation to meet Manitoba Health's Performance Deliverable.

Baby First

- Program now seeing families with their second child. Positive outcomes noted as several families have noted economic changes due to employment opportunities they never saw possible.

Childhood Immunization

- A regional immunization committee developed to look at issues relating to tracking of immunization rates and to promote the importance of childhood immunization.
- Performance Deliverable - Strategy developed and submitted to Manitoba Health as per Performance Agreement.

School Health

- Health Promotion, Community Nurse Resource Centre, Public Health and Mental Health Staff work closely with all schools in the areas of health promotion and wellness.

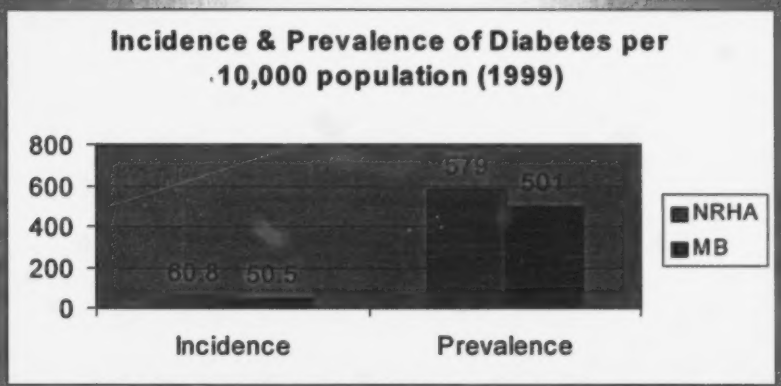
Pre-School Screening Clinics

- Clinics are held every spring in the communities of The Pas and Flin Flon.

Regional Diabetes Program

- Diabetes Initiatives - The service provided by the Regional Diabetes Program is challenging as we have limited resources but continues to expand with more clients and more community visits.
- Performance Deliverable – Strategy developed and submitted to Manitoba Health as per Performance Agreement.
- Initiatives – In conjunction with the community of Cormorant, a proposal was developed for a Healthy Eating Project.

NOR-MAN has a higher incidence and prevalence rate for Diabetes compared to the Manitoba population. From 1989 to 1999, the incidence and prevalence for Diabetes has been steadily increasing with the highest rates observed in women. The number of new cases peaks in males in the 50-54 year age group and in females in the 40-44 year age group.
The incidence and prevalence of diabetes in the Aboriginal population is considerably higher than the MB rates, which is cause for concern.



Source: Regional Diabetes Profile. A Statistical Summary, May 2002
Incidence = # new cases of Diabetes in population, in a specified year
Prevalence = total # cases of Diabetes at a given point in time

Fetal Alcohol Syndrome/Effects

- Stop FAS/E Program - Initiated in The Pas with 28 women involved in the program.
- Clinics - TeleHealth FAS/E Clinics are held bi-weekly.

Injuries Are No Accident

- Injuries Are No Accident Program – Based on the findings and recommendations the NRHA has begun to implement a regional safety/injury prevention program.
- Safety Initiatives – Numerous initiatives carried out throughout our Region including Prevent Alcohol and Risk Related Trauma in Youth (P.A.R.T.Y.) Program, Travel Health Program, Safety Fairs, Injury Prevention Workshops. "NOR-MAN the Moose" mascot attends numerous events to promote safety initiatives.

Occupational Health & Safety

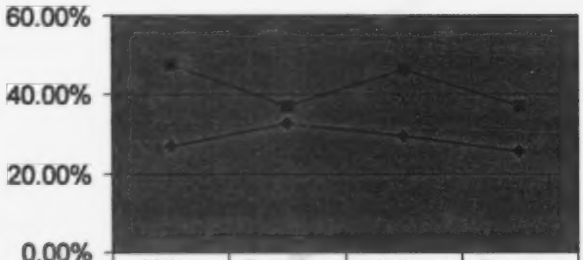
- Provincial inspection conducted in October 2003 which resulted in numerous work orders.
- NRHA hired a Workplace Safety & Health Officer for a term position to address the orders.

Tobacco Reduction Program

- Smoking Reduction Coordinator – Position is in place and is responsible for overseeing prevention and cessation initiatives within the Region.
- Tobacco Tackle Teams – Program approved by Health Canada and hosts programs in our schools.

According to the Canadian Community Health Survey (CCHS), NOR-MAN males are less likely to smoke than the Manitoba average and also more likely to be a former smoker. On the other hand, NOR-MAN females are more likely to be smokers than the Manitoba average and also more likely to be former smokers. The high percentage of former smokers is promising as a higher percentage of residents are now former smokers. *It is important to note that the Canadian Community Health Survey does not include those residents who are First Nations.*

Smoking Rates, Canadian Community Health Survey 2001



	Males NRHA	Females NRHA	Males MB	Females MB
Smokers	26.95%	32.48%	29.37%	25.51%
Former Smokers	47.66%	37.23%	46.33%	36.98%

We expect that smoking rates are higher in NOR-MAN than what is reported in the CCHS. In an attempt to tackle the high rates of smoking in NOR-MAN after the last Community Health Assessment in 1998, NOR-MAN Regional Health Authority created a Smoking Reduction Coordinator for the region. Since this time, a strong emphasis has been placed in the areas of cessation, prevention, protection, and policy development.

Midwifery

- Midwifery Program – The program continues to grow with more demand for services in The Pas and Moose Lake. Midwives attended 33 deliveries in 2003.

Prostrate Cancer Screening

- Initiatives – Campaigns, awareness week, presentations are ongoing to promote importance of early screening.

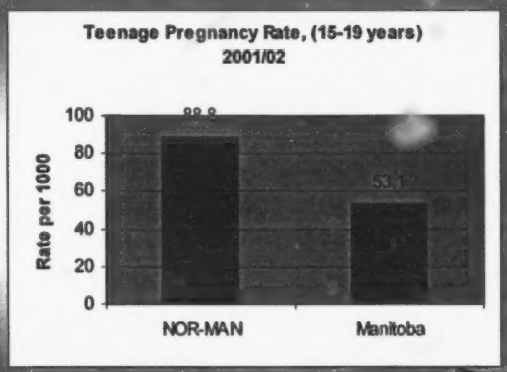
Workplace Wellness

- Initiatives – Workplace Wellness Committee established and numerous initiatives in place to promote and create healthy work environment.

Teenage Pregnancy

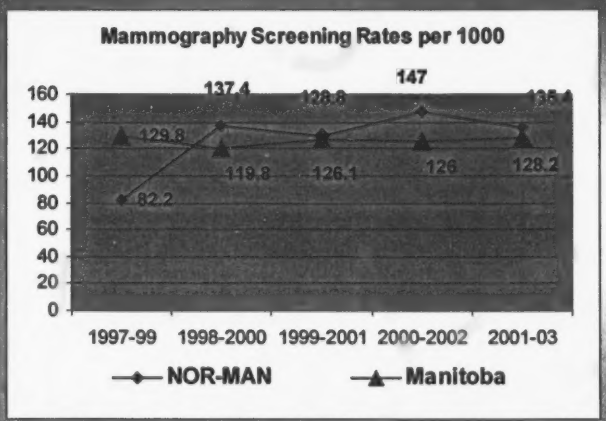
- Strategies developed to address the high teenage pregnancy rate in NRHA.
- Counseling - NRHA Public Health and Community Health staff work closely with schools and youth centres by providing birth control counseling and regular educational sessions.

According to data from Manitoba Health, NOR-MAN teenage females (aged 15 to 19 years) have the third highest pregnancy rates in the province. Of NOR-MAN teens aged 15 to 17 years, 6.3% gave birth, compared to 3.7% of all Manitoba teen girls. Of NOR-MAN teens aged 18 to 19 years, 10.7% gave birth compared to 6.5% of all Manitoba teens. There were no births reported in NOR-MAN to adolescents 10 to 14 years.



Mammography

- Mobile Screening Clinics – Breast Cancer is the leading cause of cancer in women in the NRHA. Prior to the mobile unit, mammography rates were 35% compared to 57% in 2003.



The Mammography Screening Rates for NOR-MAN were higher than the provincial average in the last four reporting periods. The Manitoba Mobile Breast Screening Program has had a significant impact on breast screening rates as the one reporting period that NOR-MAN was under the provincial rate was prior to Mobile program being introduced. In 1997-99, NOR-MAN had the lowest rate of all RHA's in the province in comparison to the 2001-03 reporting period where NOR-MAN had the 6th highest rate.

Aboriginal Health

- Culturally Sensitive Environment – Cultural Awareness Training offered as part of new staff orientation and to be provided to all staff in the upcoming year.
- Aboriginal Recruitment Strategy – Being developed by Aboriginal Recruitment Officer (one-year term position) in consultation with aboriginal communities and partners.
- Performance Deliverable - Strategy developed and submitted to Manitoba Health as per Performance Agreement.

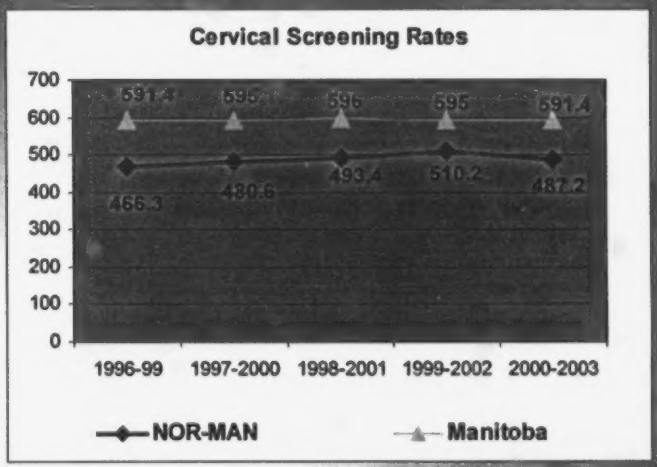
Senior's Wellness

- Initiatives – Senior Wellness educational sessions held during flu clinics as well as exercise programs have been implemented throughout our Region.

Cervical Cancer

- Screening Rates – Although NRHA rates are lower than the provincial average, we have seen an increase in our rates in the last 5 years. Well Women clinics and educational sessions held in our communities have made testing more accessible

Cervical screening rates for Manitoba have remained fairly stable over the reporting period. NOR-MAN rates are lower than the provincial average but the rates have increased since the first reporting period. NOR-MAN had the lowest cervical screening rates in the province in the 1996-99 reporting period and has improved to the 3rd lowest in the 2000-03 reporting period. The low cervical screening rates were identified as an issue as part of the 1997/98 Community Health Assessment.



Since this date, increased promotion of the importance of cervical screening was identified as a priority as part of the strategic plan. A number of initiatives have been undertaken including the introduction of a women's wellness clinic and cervical cancer screening at the Community Nurse Resource Centres in The Pas and Flin Flon. A $10,000 grant from the MB Cervical Screening Program was received to increase services to Cormorant and Sherridon and education and clinics are underway. In the past year, 20 well women clinics (63 participants) in Flin Flon and 34 (110 participants) in The Pas have been held. A concern identified by staff is that pap tests completed by RNs are not included in the provincial stats. This impacts NRHA's numbers as pap tests that are completed by RN's as part of well women clinics are not captured in the provincial stats we receive.

What Will We Focus on in the Future....

1. ***Regional Diabetes Strategy*** – Continue to develop strategy in accordance with the upcoming Manitoba Health's Performance Deliverable.
2. ***Tobacco Reduction Program*** – One of the priorities of the Workplace Wellness Committee to assist staff to become smoke-free and plan for the provincial smoking ban effective October 1, 2004.
3. ***Mental Health/Addictions*** – Continue to work on the Co-Occuring Dependency Initiative and develop strategies to address the upcoming Manitoba Health's Performance Deliverables.
4. ***Pre- School Screening Clinics*** – Continue to recruit for Speech Language Pathology and Audiology positions to address the gaps in service.
5. ***Injuries Are No Accident*** – Develop awareness campaigns, database and resource inventory as per Health Canada funding for Phase 2.
6. ***Mammography*** – Continue to promote importance of early screening and target the communities with low screening rates.
7. ***Primary Health Care Program*** – Implementation of NRHA's primary health care strategy and C.A.R.E.S. programs which will result in more comprehensive health programs for Women, Men, Seniors and Infant/Child/Youth.
8. ***Cervical Cancer*** – Continue to provide and track pap tests through our Well Women Clinics as pap tests performed by nurses are not included in the provincial data.
9. ***Midwifery Program*** – Develop education program that will enable the NRHA to expand the program to other rural and remote areas.
10. ***Aboriginal Health*** - Continue to develop strategies to address the Manitoba Health's Performance Deliverables.

Optimal Recovery from Illness or Injury

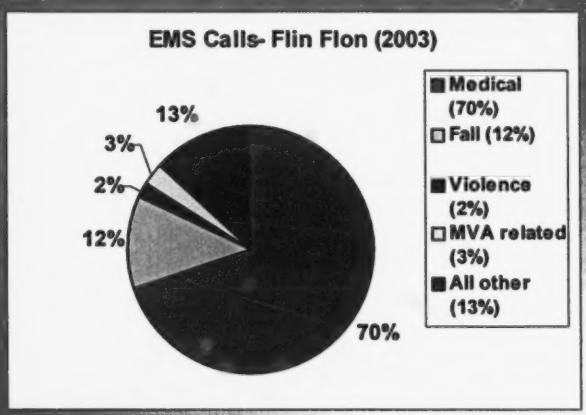
Strategic Priorities

1. Health outcomes in emergencies not negatively affected by inadequate response.
2. Health outcomes for illnesses and injury not negatively affected by inadequate resources.

Some of our accomplishments this year....

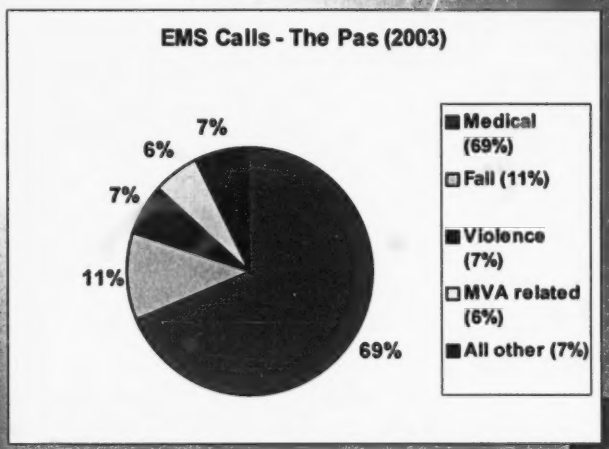
Ambulance Services

- Cranberry Portage Ambulance – The NRHA assumed responsibility of this service in February 2004 due to shortage of volunteers in the community.
- The Pas Ambulance – Since the NRHA has taken over the responsibility of this services (2001) not only has call volumes increased but response times have greatly improved.
- Flin Flon Ambulance – Flin Flon Ambulance Service has expanded to include a second on-call 24-7.



In 2003, there were 949 Ambulance Calls in Flin Flon. Of the calls, 52% were emergent while 48% were non-emergent (i.e. airport/ inter-facility transfers). The majority of calls (70 %) were for medical reasons followed by falls (12%). The average Response Times from dispatch to arrival time (in town limits) was 8 minutes, which is on target with the Manitoba goal.

Call volume in The Pas is higher with a total of 1629 calls in 2003. Of the calls, 57% were emergent while 43% were non-emergent. Medical (69%) and falls (12%) were the top reasons for ambulance calls. Of concern is the high percentage of calls for violence (7%) and motor vehicle accidents (6%). The average response time from dispatch to arrival time (in town limits) was 5 minute 41 seconds, which was also well within the Manitoba target.

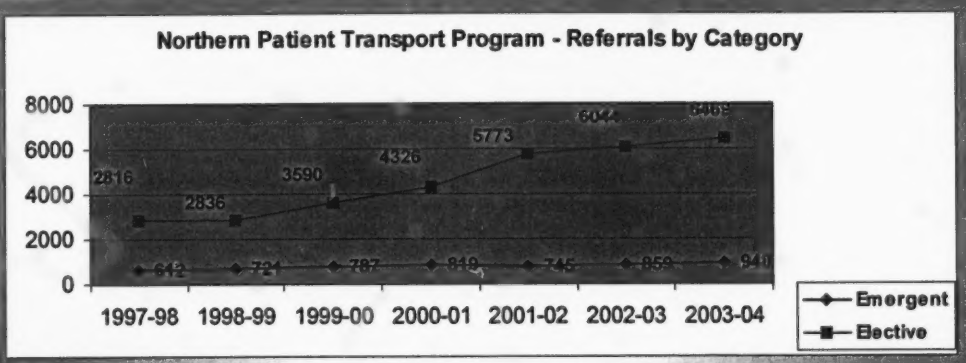


Regional Outbreak Response Team

- Multi-disciplinary team in place to ensure strategies are in place to meet the challenges of communicable outbreaks.

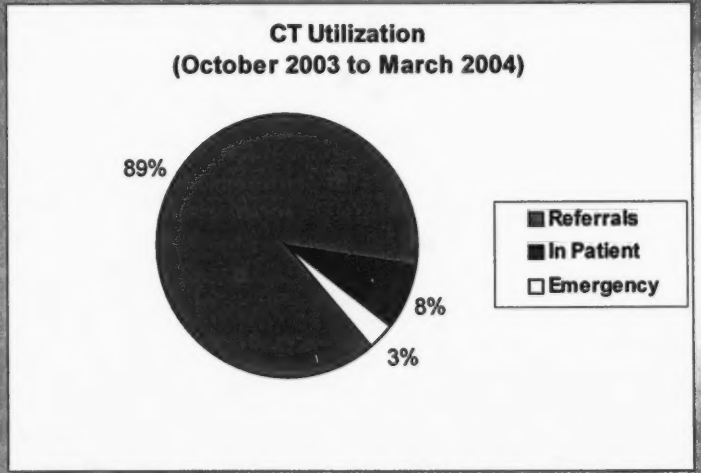
Northern Patient Transportation Program

- Monitoring - Physician referrals are monitored regarding mode of travel in order to decrease costs.

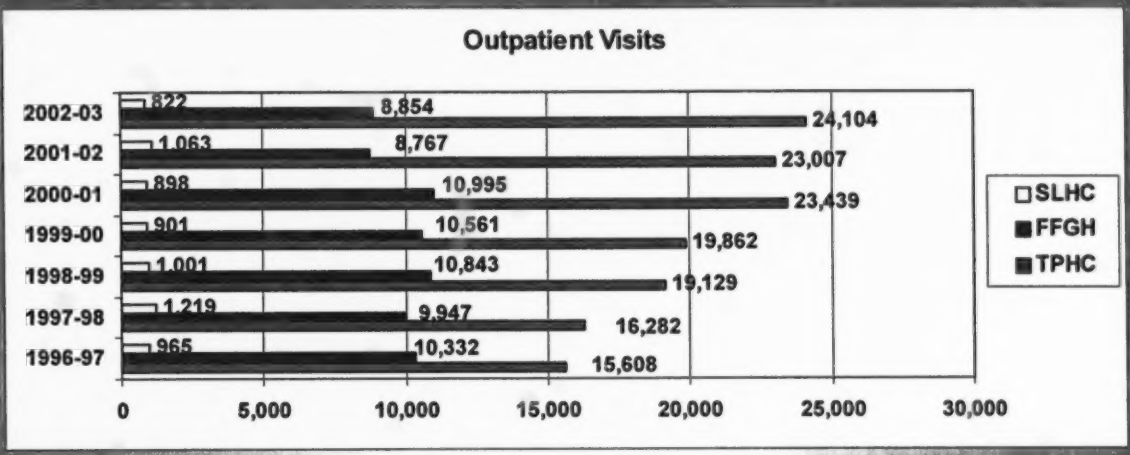


NPTP costs continue to increase every year as do the number of travel warrants. Of note, 6% of the total warrants were for air ambulance yet it accounted for the largest percentage (54%) of the NPTP budget. In order to help contain costs, A NPTP committee was formed in 2000/01 and a number of cost containment initiatives were put in place. As a result, we have seen an increase in travel by car for elective procedures from 35% in 2000/01 to 49% in 2003/04. Likewise, we have seen a decrease in air travel for elective procedures from 24% in 2000/01 to 15% in 2003/04.

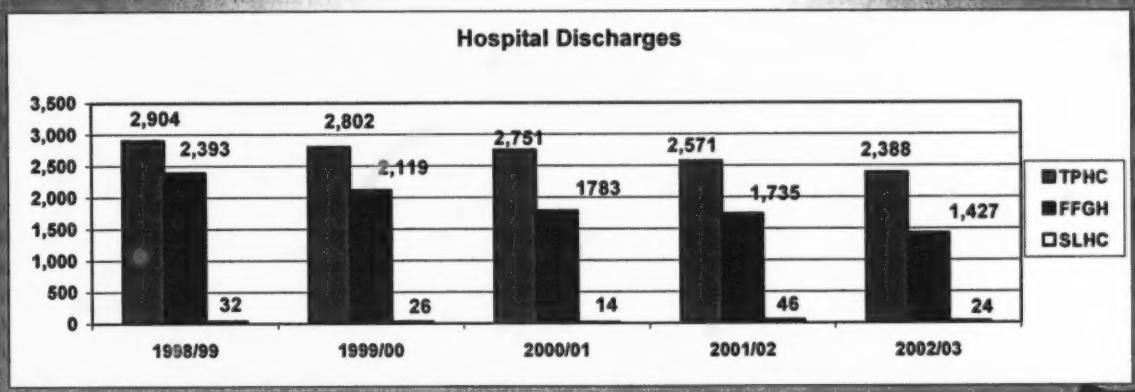
- CT Scan - In 2003/04 the number one reason for patient travel for diagnostics was for a CT Scan. With the regional CT Program in place in The Pas as of October 2003 we hope to see a decrease in these travel costs for elective procedures.



With the addition of a CT machine at The Pas Health Complex, renovations to the Diagnostic Imaging and Lab departments took place from March to August 2003 with the CT becoming fully operational in October 2003. From October to March, The CT machine was used 994 times. The largest area of utilization was for elective procedures referred by physicians.



Outpatient visits in The Pas have risen from 15,608 in 1996-97 to 24,104 in 2002-03 while visits in Flin Flon and Snow Lake have decreased.



Hospital inpatient activity, measured by the number of "Hospital Discharges", have decreased in all NRHA acute care sites from 1998/99 to 2002/03.

What Will We Focus on in the Future....

1. ***Emergency Disaster Response Plan*** – Finalize plan and conduct education sessions for staff on the Incident Management System.
2. ***Recruitment & Retention*** – Continue to focus recruitment efforts where there are chronic shortages ie. physicians, occupational therapy, physiotherapy, audiology, speech language.
3. ***Ambulance Services*** – Continue to work with Department of Health in the planning and construction of a much needed EMS facility. Construction to commence in Fall 2004 to improve ambulance access and ramp restoration at Flin Flon General Hospital.

Optimal Access to Services

Strategic Priorities

1. Increased on-site resources in our outlying communities.
2. Improved access to service through primary health care.
3. Improved access to all services through a single point of entry.
4. Increased specialty services and programs based on demonstrated need and cost effectiveness.

Some of our accomplishments this year....

Itinerant Specialty Services

- Services have increased in our region to include neurology clinics and endoscopy services.

Itinerant Services

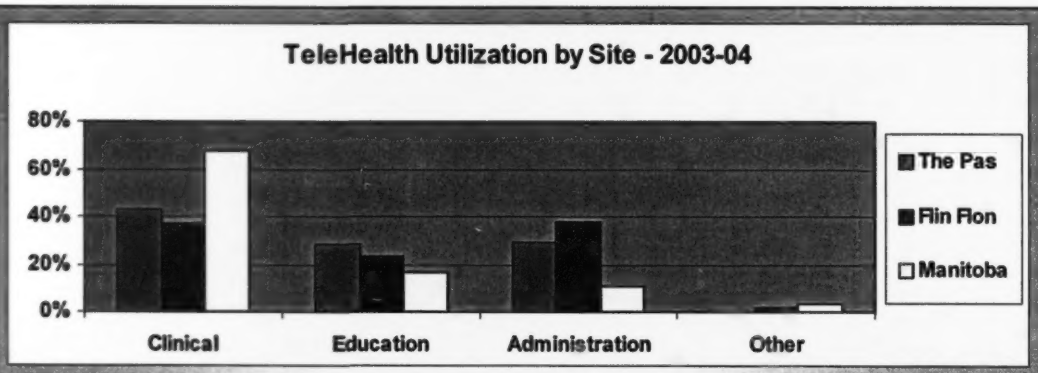
- The NRHA continues to work with outlying communities to identify and offer needed on-site itinerant services ie. Health Promotion, Diabetes Education, Public Health, Mental Health.

Primary Health Care Strategy

- Primary Health Care model (Comprehensive Assessment & Referral Entry System (C.A.R.E.S.)) for the region was developed and funding for 3 years was secured. Continue to establish client centred health teams ie. Infant/Child/Youth, Women's, Men's and Senior's to meet the implementation date of January 2005.

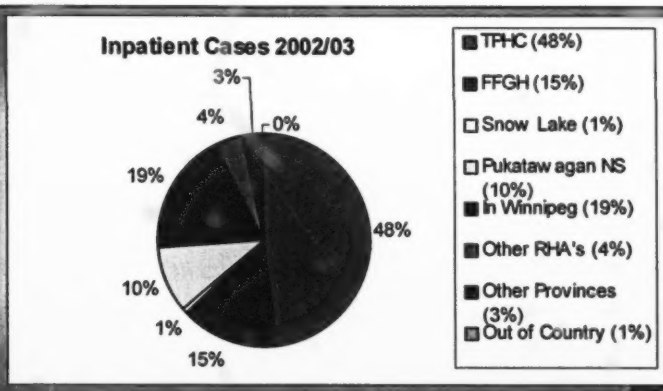
TeleHealth

- NRHA's two TeleHealth sites represent 8.2% of the total sites in Manitoba but they account for 20.7% of the total TeleHealth usage on the provincial network.
- Snow Lake Personal Care Home (PCH) Expansion – an additional 2 PCH beds are being constructed and will allow Snow Lake residents to access PCH beds closer to home.



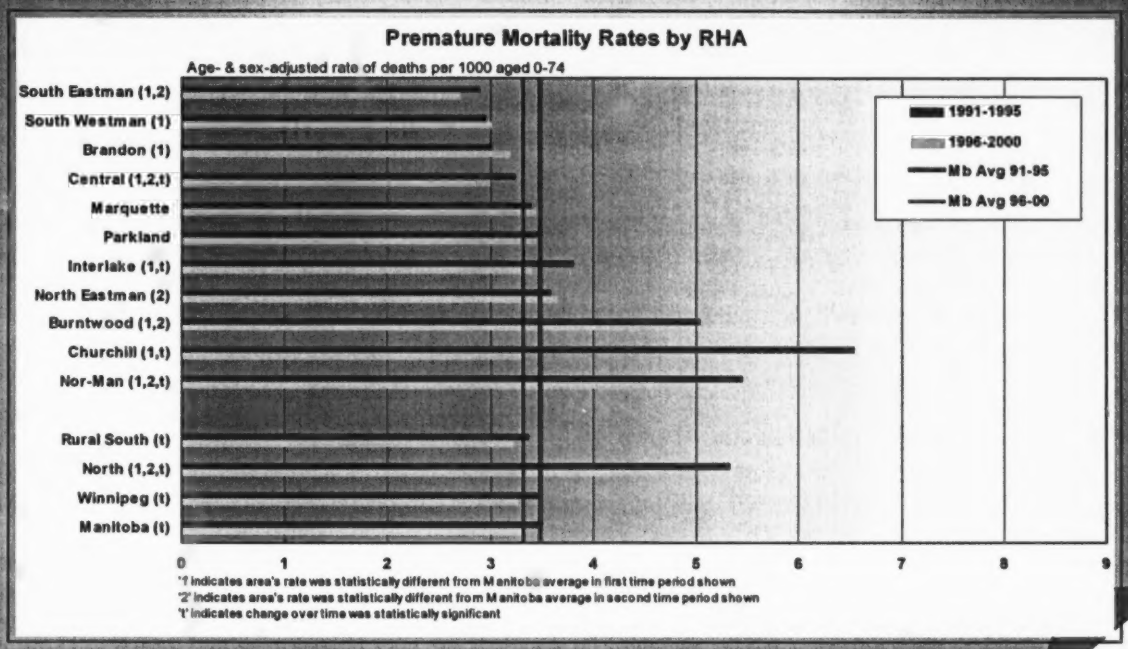
TeleHealth is showing great promise in the region. Not only does it help save on travel costs it also makes it easier for residents to access services closer to home. The main use of the equipment is for clinical purposes in The Pas (43%), Flin Flon (37%) and Manitoba as a whole (68%). TeleHealth volumes have increased significantly from the last fiscal year with increases in use by 77.1% in Flin Flon, 114.4% in The Pas and 98.5% for Manitoba. Clinical volumes alone have increased by 137% in Manitoba.

74% of all inpatient services are provided within the region. This is one of the highest rates provincially.



So... How Healthy Are We?

The single best measure to reflect the health status of a population is considered to be the premature mortality rate (PMR)—the rate of death before the age of 75, age- and sex-adjusted. Areas with a high PMR have been found to require more health care services. The Manitoba Centre for Health Policy's RHA Indicators Atlas published in June 2003 shows that NOR-MAN's PMR rate has statistically improved over the two reporting periods; 1991-95 and 1996- 2000. Although NOR-MAN's rates are still statistically higher than the Manitoba average, the fact that we have seen an improvement in our premature mortality rate is a promising indication that our region's health may be improving.



What Will We Focus on in the Future....

1. ***TeleHealth*** – Plan for expansion of service to Snow Lake with additional equipment being targeted for the communities of Flin Flon and The Pas. Develop partnerships with First Nations Inuit Branch and NOR-MAN First Nations communities to identify opportunities to expand TeleHealth services to First Nations residents.

2. ***Primary Health Care Strategy***– Opening of Primary Health Care Centres in The Pas and Flin Flon and launching of the Comprehensive Assessment, Referral and Entry System (C.A.R.E.S.) program in the new year.

Capital Plan

The NOR-MAN Regional Health Authority Board of Directors approved a long-range Master Plan for the Health Authority in September 2000. The Master Plan was formally submitted to Manitoba Health in March 2001. Driven by the health needs of our region, the plan focuses on the types of services and facility requirements we need in order to achieve improvements in the health status of our region over the next several years.

Service Component

The Master Plan has formed the basis for all planning in the region. We continue to operationalize the service components of our Master Plan as resources permit. The Primary Health Care strategy that is being developed in the region was developed based on the principles of our Master Plan.

Capital Component

The need for new facilities in The Pas and Flin Flon is well acknowledged. Both St. Anthony's and the Flin Flon General Hospitals are near the end of their useful life span. These buildings do not lend themselves to operational efficiencies and we continue to prioritize projects that will ensure these facilities are maintained and kept safe and secure.

We understand that the present fiscal realities in Manitoba will not allow for new facilities to be constructed in the near future. However, a significant capital injection will be required in order to maintain operations in the short term. We expect that there will be significant upgrades required to both facilities in the next few years.

NRHA had a busy year working on a number of capital and safety and security projects. The following provides an overview of the capital projects that were completed in 2003-04 or are currently underway:

The Pas:

- CT renovations – completed 2003
- Demolition of Old St. Paul's – completed 2003
- Obstetrics Safety & Security Project – complete 2003
- Heating Ventilation Air Conditioning in 1970 Wing – completed 2003
- Elevator security system – in development
- IT Server Room – in development
- Link Doors to St. Paul's - in development
- Elevator/ Operating Room Security System - in development
- Primary Health Care Centre - in development
- Dialysis expansion from 4 to 10 stations– under review
- Emergency Room/Special Care Unit redevelopment – under review
- New Windows for 1928 Wing – under review
- Ambulance Garage - under review
- Cormorant Roof/Window Replacement - under review

Snow Lake:

- Restoration of concrete stairs - completed 2003
- New Ambulance Garage Doors – completed 2003.
- New Flooring – completed 2004
- Personal Care Home Bed expansion – completed 2004
- Oxygen Upgrade – approved June 2004
- Emergency Room Entrance Doors – approved June 2004

Flin Flon:

- Electrical Distribution system – completed 2003
- Hot Water & Condensate Return Tanks – completed 2003
- Personal Care Home Roof Replacement – completed 2003
- Asbestos Removal in 1938 Wing Crawlspace – completed 2003
- Security System in Personal Care Home & Flin Flon General Hospital Phase 1 - complete 2004
- Northern Lights Manor Wheelchair Ramp – in development
- Primary Health Care Center – in development
- Wheelchair/ Stretcher/ Ambulance Access/ Ramp Restoration – re-tendered June 2004
- Oil Tank Replacement – in development
- New flooring in Personal Care Home and Flin Flon General Hospital Outpatients Department– approved June 2004
- Dialysis relocation – under review
- Window Replacement – under review
- Pharmacy relocation – under review

Financial Information

The following financial information was extracted from the Audited Financial Statements reported on by Kendall Wall Pandya in the Auditor's Report dated June 2, 2004. A complete set of Financial Statements and Auditor's reports may be obtained from the Health Authority.

Letter From the Auditors

KENDALL WALL PANDYA

Chartered Accountants

76 Main St., P.O. Box 175, Flin Flon, MB R8A 1M7 (204) 687-8211 Fax 687-2957

AUDITOR'S REPORT

To the Chairperson and Board of Directors

We have audited the statement of financial position of NOR-MAN Regional Health Authority Inc. as at March 31, 2004 and the Statements of Operations, Net Assets, Deferred Contributions, and Cash Flow for the year then ended. These financial statements are the responsibility of the Health Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the NOR-MAN Regional Health Authority Inc. as at March 31, 2004 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Flin Flon, MB
June 2, 2004

Chartered Accountants

Statement of Financial Position
Year Ended March 31, 2004

ASSETS

	2004	2003
CURRENT ASSETS		
Cash	$ -	$ 334,826
Accounts receivable	1,150,952	1,150,933
Due from MB Health	5,055,621	3,767,897
Inventories	496,050	416,262
Prepaid expense	190,534	137,139
	6,893,157	5,807,057
DUE FROM MB HEALTH	2,654,372	2,148,437
CAPITAL ASSETS	29,802,675	30,298,460
	$39,350,204	$38,253,954

LIABILITIES

CURRENT LIABILITIES		
Bank Indebtedness	$ 1,118,431	$ -
Accounts payable	3,441,921	2,828,986
Accrued benefit entitlements	2,839,934	2,566,532
Current portion of long-term debt	491,966	371,963
	7,892,252	5,767,481
LONG-TERM DEBT	3,917,411	3,440,348
ACCRUED PRE-RETIREMENT OBLIGATIONS	2,654,372	2,148,437
DEFERRED CONTRIBUTIONS		
Expenses of future periods	1,493,613	1,543,545
Capital assets	24,025,146	24,989,852
NET ASSETS		
Invested in capital assets	1,368,152	1,496,298
Internally restricted	54,896	55,373
Unrestricted	(2,055,638)	(1,187,380)
	$39,350,204	$38,253,954

Statement of Operations
Year Ended March 31, 2004

	2004	2003
Revenue		
Manitoba Health operating income	$48,662,711	$46,201,306
Non-insured income	5,411,912	5,530,149
Other income	3,418,477	3,252,152
Amortization of deferred contributions	2,345,731	2,261,879
Ancillary revenue	1,602,061	1,602,111
	61,440,892	58,847,597
Expenses		
Acute care	$26,234,876	$24,476,386
Long-term care	7,008,047	6,943,986
Medical remuneration	7,918,551	6,617,597
Community based therapy	343,845	281,235
Community services administration	507,437	457,085
Community based mental health	829,988	803,443
Community based home care	4,196,023	3,976,856
Community based health	2,681,148	2,650,168
Land ambulance	1,429,786	1,266,231
Regional health authority costs	2,505,484	2,299,557
Amortization of capital assets	2,473,877	2,341,905
Interest on long-term debt	145,655	107,519
Other—Northern Patient Transportation	4,120,624	3,916,232
Other—Rosaire House Addictions Centre	625,558	631,552
Ancillary expenses	1,416,874	1,575,532
	62,437,773	58,345,284
Excess of Revenue Over Expenditures	$ (996,881)	$ 502,313

Statement of Cash Flow
Year Ended March 31, 2004

	2004	2003
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	$ (996,881)	$ 502,313
Items not involving cash		
Amortization of capital assets	2,473,877	2,341,905
Amortization of deferred contributions	(2,345,731)	(2,261,879)
Change in non-cash working capital	(534,590)	393,540
Deferred contributions		
Grants	16,145	120,319
Donations	117,933	181,242
Major repairs and improvements	8,153	8,152
	(1,261,094	1,285,592
FINANCING AND INVESTMENT ACTIVITIES		
Specialized equipment funding	544,993	155,861
Basic equipment	227,569	166,200
Purchase of capital assets	(1,821,568)	(1,905,376)
Construction in progress expenditures	(178,523)	(117,706)
Manitoba Health-debt principal funding	438,300	304,587
Issuance of long-term debt	1,035,366	1,389,476
Repayment of long-term debt	(438,300)	(304,587)
	(192,163)	(311,545)
NET INCREASE (DECREASE) IN CASH	(1,453,257)	974,047
CASH at beginning of year	334,826	(639,221)
CASH AT END OF YEAR	$(1,118,431)	$ 334,826

Statement of Net Assets
Year Ended March 31, 2004

	Invested in Capital Assets	Restricted	Unrestricted	2004 Total	2003 Total
Balance, beginning of year	$1,496,298	$55,373	$ (1,187,380)	$ 364,291	$ (138,022)
Excess (deficiency) of revenue over expenses	(128,146)	(477)	(868,258)	(996,881)	502,313
	$1,368,152	$ 54,896	$(2,055,638)	$ (632,590)	$ 364,291

Key Financial Indicators
Year Ended March 31, 2004

	2004		2003		2002	
RATIO OF ADMINISTRATION COSTS						
Admin Cost	3,203,749	5.7%	2,880,376	5.5%	3,188.919	6.8%
Total Cost	56,153,293		52,418,840		46,634,227	
WORKING CAPITAL RATIO						
Current Assets	6,893,157	87.3%	5,807,057	100.7%	5,657,107	95.9%
Current Liabilities	7,892,252		5,767,481		5,897,059	

Remaining Useful Life of Capital Equipment:

Please note: This indicator is impossible for us to calculate. Our financial systems do not track this type of data. A fixed asset system would be required to do this.

Notes to Financial Statement
Year End March 31, 2004

1. a) **Nature and Purpose of the Organization**
NOR-MAN Regional Health Authority Inc. (the "Authority") is a corporation without share capital continued under The Regional Health Authorities and Consequential Amendments Act, Statues of Manitoba 1996 c. 53. The Authority operates health care programs and services in a geographic region that extends from Grand Rapids/Grand Rapids First Nation in the southeast corner to Flin Flon in the extreme northwest part of the Region. Pukatawagan is also part of the Region. The Authority delivers its services through hospitals and other health care facilities. Hospitals are located in Flin Flon, The Pas and Snow Lake. The Authority is a registered charity under the Income Tax Act and accordingly, is exempt from income taxes, provided some requirements of the Income Tax Act are met.

b) **Assumption of Responsibility for Facilities and Operating Authority**
Pursuant to certain terms and conditions under various transfer agreements, the Authority took over management of facilities consisting of land and buildings together with equipment, other assets, liabilities and general operating authority as of April 1, 1997 from the following previously independently operating boards:

- The Board of Directors of the Flin Flon General Hospital, Flin Flon Personal Care Corporation and Northern Lights Manor
- The Board of Directors of The Pas Health Complex
- The Board of Directors of the Snow Lake Medical Nursing Unit
- Manitoba Health (Community Services)

2. **Summary of Significant Accounting Policies**
These financial statements have been prepared in accordance with Canadian generally accepted accounting principles:

a) **Contributed Services**
Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

b) **Inventory**
Medical, drugs and other supplies are valued at the lower of average invoice cost and net realizable value.

c) **Retirement Entitlement Obligations**
The Authority applies the accounting recommendations for employee future benefits contained in Section 3461 of the Canadian Institute of Chartered Accountant's Handbook.

d) **Revenue Recognition**
The Authority follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Authority is funded primarily by the Province of Manitoba in accordance with budget arrangements established by the Ministry of Health. Operating grants are recorded as revenue in the period to which they relate. Grants approve, but not received, at the end of an accounting period, are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Donations are recognized as direct increases in deferred contributions. Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

e) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Improvements and betterments which extend the estimated useful life of an asset are capitalized. When a capital asset has diminished its usefulness in providing the service, its carrying amount is written down to its residual value.

The Authority has adopted the policy of amortizing its capital assets on a straight-line basis using the following annual rate:

Land improvements	2.5%
Buildings	2.5%
Buildings service equipment	10.0%
Major equipment	10.0%
Computer equipment and software	20.0%

No amortization is provided for construction in progress until the project is complete or until the principal retirement of related debt commences.

3. Economic Dependence

The Authority is funded primarily by the Province of Manitoba in accordance with budget arrangements established by the Ministry of Health.

4. Accounts Receivable/Due from Manitoba Health

	2004	2003
a) Accounts Receivable		
Ambulance	$ 792,431	$ 383,568
Residents	380,301	338,603
Employee computer loans	69,018	98,898
Government of Canada	70,676	223,807
Other government agencies	43,434	108,153
Sundry	57,874	47,034
	1,413,734	1,200,063
Less allowance for doubtful accounts	(262,782)	(49,130)
	$ 1,150,952	$ 1,150,933
b) Due from Manitoba Health	$ 2,081,495	$ 910,829
Current years operating fund	45,769	
Out of Globe - 2003	88,423	290,536
Approved capital funding	2,839,934	2,566,532
Vacation benefit entitlements	$ 5,055,621	$ 3,767,897
c) Due from Manitoba Health		
Pre-retirement obligation entitlements	$ 2,654,372	$ 2,148,437

5. a) **Deferred Contributions**

i) **Major repairs and improvements**

Deferred contributions related to future major repairs and improvements represent unspent externally and/or internally restricted grants for major repairs and improvements to buildings.

ii) **Donations**

These contributions are to be maintained primarily for the purchase of equipment and patient/resident activities. These amounts are not available for other purposes without approval of the Board of Directors.

iii) **Grants**

Deferred contributions related to grants represent externally restricted unspent amounts of grants for various programs.

b) **Related to capital assets**

Deferred capital contributions represent the unamortized amounts of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

7. **Net Assets Invested in Capital Assets**

Net assets invested in capital assets is calculated as follows:

	2004	2003
Capital assets	$ 29,802,675	$ 30,298,460
Amount financed by deferred contributions		
Deferred contributions	(24,025,146)	(24,989,852)
Long-term debt	(4,409,377)	(3,812,311)
	$ 1,368,152	$ 1,496,297

7. **External Restrictions**

Net assets are restricted for endowment purposes, and are subject to externally imposed restrictions that the assets be maintained permanently in the Sherry Grey Trust Fund and the St. Paul's Residents Trust Fund. Investment income from these funds is restricted for patients' out of province travel and residents' expenses respectively.

8. **Long Term Debt**

	2004	2003
Flin Flon Hospital, Lab/HVAC, prime less .8%, Royal Bank, guaranteed by Province of Manitoba, payable $1,400 per month, maturing 2010	$ 50,422	$ 67,222
Flin Flon Hospital, Boiler Room, prime less .8%, Royal Bank, payable $5,095 per month, maturing 2013	529,661	590,801
Flin Flon Personal Care Home, CMHC, 5.62%, payable $5,486 per month, maturing 2016	575,666	608,753
Flin Flon Personal Care Home Roof, Prime less .8%, Royal Bank, no set repayment terms	149,691	176,106

St. Anthony's Hospital, Fire Alarm Upgrade, prime less .8%, Royal Bank, payable $2,855 per month, maturing 2015	274,280	308,540
St. Anthony's Hospital, Power Upgrade, prime less .8%, Royal Bank, payable $2,855 per month, maturing 2006	102,680	136,940
St. Anthony's Hospital, Specialized Equipment, prime less .8%, Royal Bank, payable $3,665 per month, maturing 2018	593,356	637,336
Residual Borrowings, prime less .8%, Royal Bank, payable $12,140 per month, maturing 2016	1,140,933	1,286,613
St. Anthony's Hospital, Obstetrical Reno, prime less .8%, Royal Bank, payable $4,745 per month, maturing 2014	541,205	-
St. Anthony's Hospital, HVAC/Windows, prime less .8%, Royal Bank, payable $2,395 per month, maturing 2014	272,960	-
Snow Lake Health Centre - PCH Bed Project, prime less .8%, Royal Bank, no set repayment terms	178,523	-
	4,409,377	3,812,311
Less: Current Portion	491,966	371,963
		$ 3,440,348
	$ 3,917,411	

Portion due within each of the next five years is as follows:

2005	$ 491,966
2006	491,966
2007	457,706
2008	457,706
2009	457,706
	$ 2,357,050

9. Pre-retirement Obligations

	2004	2003
Members of the Health Employees Pension Plan	2,429,273	1,951,737
Members of the Civil Service Superannuation Plan	225,099	196,700
	$ 2,654,372	$ 2,148,437

The Authority's contractual commitment, based on an actuarial valuation, for the pre-retirement entitlement for members of the Healthcare Employees Pension Plan is to pay out four days of

salary per year of service upon retirement if the employee complies with one of the following conditions:

- have ten years service and have reached the age of 55 or
- qualify for the "eighty" rule which is calculated by adding the number of years service to the age of the employee
- retire after age 65
- terminate employment at any time due to disability

The Authority's contractual commitment, based on an actuarial valuation, for the pre-retirement entitlement for members in the Civil Service Superannuation Plan is to pay out, at retirement to employees who have reached the age of 55 and have nine or more years of service, the following severance pay:

- one week of severance pay for each week of service up to 15 years of service
- two weeks of additional severance pay for each increment of five years service past the 15 years of service up to 35 years of service

The Authority undertook and actuarial valuation of the accrued retirement entitlements. The significant actuarial assumptions adopted in measuring the Authority's accrued retirement entitlements include mortality and withdrawal rates, a discount rate of 6.5% and a rate scale with no provision for disability.

Funding for the retirement obligation is recoverable from Manitoba Health on an Out of Globe basis in the year of payment.

10. Revenue from Manitoba Health

In Globe Funding

In Globe funding is funding approved by Manitoba Health for Regional Health Authority programs unless otherwise specified as Out of Globe funding. This includes volume changes and price increases for the five service categories of Acute Care, Long Term Care Community and Mental Health, Home Care and Emergency Response and Transport. All additional costs in these five service categories must be absorbed from within the global funding provided.

Any operating surplus greater than 2% of budget related to In Globe funding arrangements is recorded on the statement of financial position as a payable to Manitoba Health until such time as Manitoba Health determines what portion of the approved surplus may be retained by the Authority, or repaid to Manitoba Health.

Under Manitoba Health policy the Regional Health Authority is responsible for In Globe deficits, unless otherwise approved by Manitoba Health.

Out of Globe Funding

Out of Globe funding is funding approved by Manitoba Health for specific programs.

Any operating surplus related to Out of Globe funding arrangements is recorded on the statement of financial position as a payable to Manitoba Health until such time as Manitoba Health reviews the financial statements. At that time Manitoba Health determines what portion the approved surplus may be retained by the Authority, or repaid to Manitoba Health. Conversely, any operating deficit related to Our of Globe funding arrangements is recorded on the statement of financial position as a receivable from Manitoba Health until such time as Manitoba Health reviews the financial statements. At that time, Manitoba Health determines their final funding approvals which indicate the portion of the deficit that will be paid to the Authority. Any unapproved costs not paid by Manitoba Health are absorbed by the Authority.

Revenue per Manitoba Health's final funding document		$ 48,169,948
Add: Accruals approved by Manitoba Health:		
Northern Nursing Stations -Moose Lake, Grand Rapids, Easterville	7,756	
CT operating costs for 2003/04	163,449	
MAHCP negotiate wage increase for 2003/34	384,354	
Pre-retirement	94,537	
Authorized and residential charges	36,967	
Medical remuneration	1,346,193	
Accreditation fees for 2003/04	2,754	2,036,010
Deduct: Payments to Manitoba Health for surplus funding for out-of-global items:		
Interest on long-term debt		(25,990)
Total funding approved by Manitoba Health		50,179,968
Add: Items not reflected in Manitoba Health's final funding document:		
EMS funding	245,100	
MGEU wage settlement 2002/03	96,757	
Increased receivable for employee future	273,402	
Retroactive funding - medical remuneration	323,867	
CNRC one time payment	34,170	
Surplus on 2002/03 year end settlement	12,327	985,623
Deduct: Amounts recorded as deferred contributions:		
Principal reduction on loans	(438,300)	
Major repairs and improvements	(8,153)	
Contribution for basic equipment	(227,569)	(674,022)
Deduct: Other Items:		
Manitoba Finance holdback		(1,828,858)
Revenue from Manitoba Health		$ 48,662,711

11. Pension Plan

Most of the employees of the Authority are members of the Healthcare Employees Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees. Plan members will receive benefits based on the length of service and on the average annualized earnings calculated on the best five of the eleven consecutive years prior to retirement, termination or death, that provide the highest earnings. The costs of the benefit plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountant's Handbook section 3461.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing plan assets in trust and through the Plan investment policy. Pension expense is based on Plan management's best estimate, in consultation with its actuaries, of the amount, together with the 5% of basic annual earnings up to the Canada Pension Plan ceiling contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employee' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial evaluation of the plan as at December 31, 2003, indicates that the plan has a contribution deficiency. A requested contribution rate increase has been refused and other options, such as benefit reductions, are being assessed to address the deficiency. Actual contributions to the plan made during the year by the Authority on behalf of its employees amounted to $863,061 (2003 - $866,277) and are indicated in the statement of operations.

Some of the employees of the Authority are eligible for membership in the provincially operated Civil Service Superannuation Plan. The pension liability for Authority employees is included in the Province of Manitoba's liability for Civil Service Superannuation Fund. Accordingly, no provision is required in the financial statements relating to the effects of participating in the plan by the Authority and its employees.

12. Related Entities

The Pas Health Complex Foundation, Inc. (the Foundation) is a non-profit voluntary association who's purpose is the betterment of health care at The Pas Health Complex facilities. While there is no formal relationship between the Authority and this registered charitable Foundation, the aims and objectives coincide. The Authority regularly provides the Foundation with a listing of project/equipment requirements for the Foundation to consider in their annual funding process.

13. Statement Presentation

Prior year figures have been restated for comparative purposes.

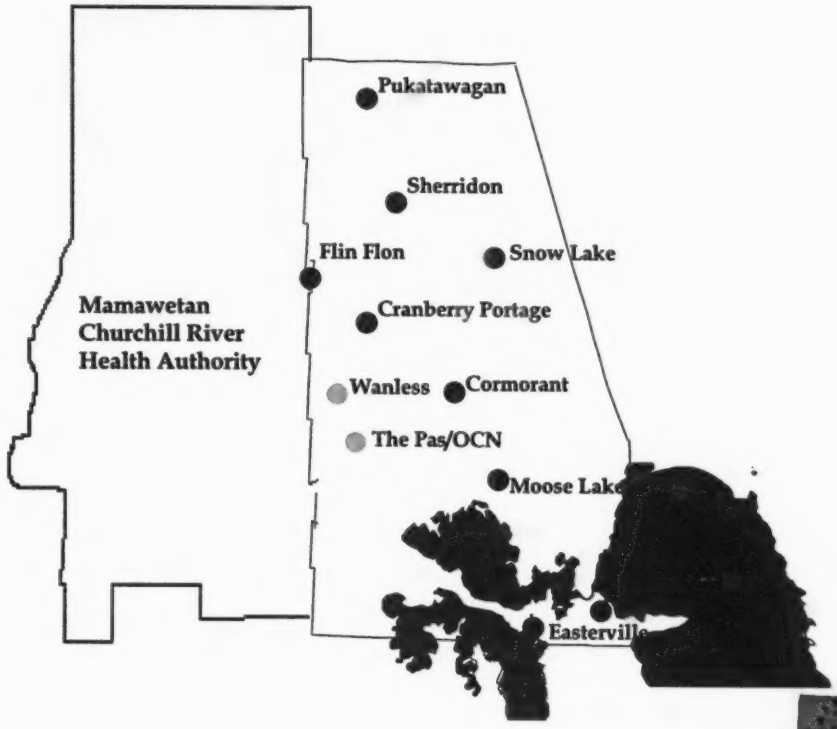
14. Prior Period Adjustment

Due to a change in the revenue recognition policy, a $17,000,000 advance from the Province of Manitoba in 2002, previously treated as long-term debt has been reclassified as a deferred contribution related to capital assets. This deferred contribution is being amortized over the remaining life of assets for which the contribution was received.

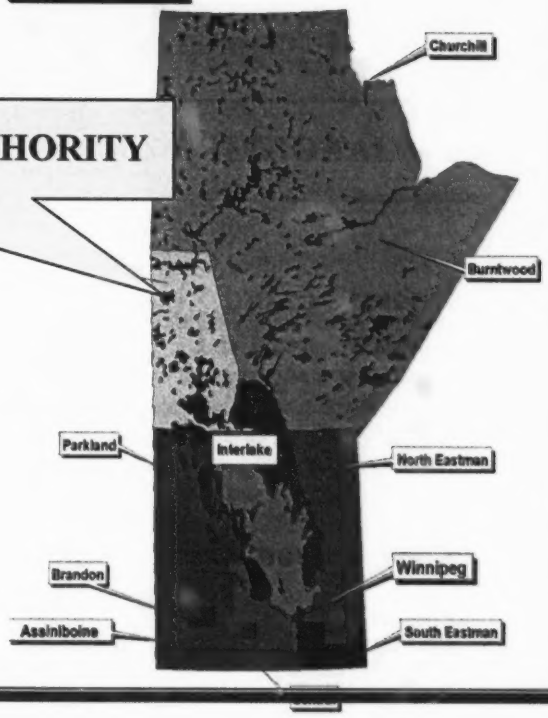
These financial statements reflect this policy by increasing the deferred contributions in capital assets at March 31, 2003 by $16,008,334 to $24,989,852 and reducing the long-term debt by the same amount to $3,812,311.

HEALTHY PEOPLE IN HEALTHY COMMUNITIES

"Working Together to Improve Our Health"



NOR-MAN REGIONAL HEALTH AUTHORITY



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